

DRAFT

**ACCOUNTING EXAMINING BOARD MEETING
MINUTES
OCTOBER 17, 2003**

PRESENT: Sharon Hamilton, Jim Johnson, Thomas Kilkenny, Frank Probst,

EXCUSED: Roman M. Jungers II, Frederick Franklin

STAFF PRESENT: Jerry Lowrie, Bureau Director, William Dusso, Legal Counsel, Pat Schenck, Program Assistant, Kelly Niesen, Division of Enforcement Staff, Darwin Tichenor and Barbara Showers, Exam Center.

GUESTS: Arland Stone, WAA
Bart Adams, Kolb and Co

CALL TO ORDER

Jim Johnson, Chair, called the meeting to order at 9:10 a.m. A quorum of four members was present.

AGENDA

MOTION: Sharon Hamilton moved, seconded by Thomas Kilkenny, to approve the agenda as written. Motion carried unanimously.

MINUTES – AUGUST 15, 2003

Amendments to minutes:

- Page 4 - Delete “without definition section” in both motions.
- Page 5 - Last section insert “temporarily” in two places.

MOTION: Sharon Hamilton moved, seconded by Thomas Kilkenny, to approve the minutes of 08/15/03 with amendments. Motion carried unanimously.

**ADMINISTRATIVE REPORT, JERRY LOWRIE, BUREAU DIRECTOR, BUREAU OF
BUSINESS AND DESIGN PROFESSIONS**

Jerry Lowrie, Bureau Director of Business and Design introduced himself to the Board and gave a summary on his background and experience in state government and the private sector. Introductions were made around the table.

BOARD ROSTER

Noted.

2003 MEETING DATES

Next meeting December 5, 2003.

2004 MEETING DATES

1. 2004 meeting dates were discussed.
2. The Board would like all dates changed to a Thursday.
3. Norbert Johnson will be available in 2004 to review applications as needed.

SUMMARY REPORTS ON PENDING COURT CASES, DISCIPLINARY CASES AND ADMINISTRATIVE RULES AND MONTHLY PRESS RELEASE OF DISCIPLINARY ORDERS (RED FOLDER)

Noted.

TRAVEL – DEPARTMENT POLICY

The Board requested that Jerry Lowrie clarify the Department's Travel Policy. If the Association is paying for one Board members attendance at a meeting, will the Department pay for a second Board member to attend the same meeting?

NASBA

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY ANNUAL MEETING, OCT. 26-29, 2003, MAUI, HAWAII – UPDATE ON REQUEST FOR GRANT FUNDS – JERRY LOWRIE

Frederick Franklin will be attending the NASBA meeting on October 26-29, 2003 as a representative of the Accounting Board. NASBA will pay for airfare, registration fee and accommodations. The Accounting Board would like the Bureau Director to attend these meetings in addition to a Board member.

Frank Probst is attending the NASBA meeting in Hawaii on October 26-29, 2003, but not as a representative of the Accounting Board.

LETTER OF RECOMMENDATION & GUIDELINES TO STATE BOARDS OF ACCOUNTING

The Board reviewed Guidelines for State Boards of Accountancy “Answering the SOX Challenge”. The document will be distributed at NASBA’s annual meeting in Hawaii for discussion.

REPORT ON THE 2003 CPA REVIEW BOARD LETTER AND RESPONSE

The Board reviewed the report on the 2003 CPA Examination Review Board (ERB) management letter.

The first ERB recommendation related to emergency procedures and the ERB’s concern that a number of state boards have not developed and implemented written emergency procedures for their examination sites.

The second recommendation related to security policies. Boards should be reminded that only candidates should see test questions during an examination and the examining team should not attempt to explain or discuss the content of the booklets. For details on procedures for handling candidates concerns the Boards should look at the “Uniform CPA Examination Procedures Manual” which should be available at the Board office.

ADMINISTRATIVE RULES

STATUS OF CLEARING HOUSE RULE 03-071

William. Dusso reported that 3-071 “The Modernization Act Revisions” has been sent to the Clearinghouse and is in the process. 02-120 “Independence” is effective 12/01/03 and will be published.

STATUS OF CLEARING HOUSE RULE 02-120

The Clearinghouse Rule 02-149 is in draft form will be published on December 1, 2003 and effective on January 1, 2004.

PEER REVIEW ISSUE DISCUSSION

The Board has requested that the Department’s internet site be revised to include the requirement regarding CPA’s being registered with a Firm for renewal purposes.

EXAMINATION/APPLICATION ISSUES

TRANSITION TO COMPUTER BASED TESTING – BARB SHOWERS

The Board requested Barbara Showers to draft information, with examples of CBT Transitioning, to be posted on the Departments web-site and distributed. Ms. Showers reported on the transition to computer based testing information. The Board reviewed and made some revisions to the information being added to the Departments web-site. The Board suggested that the Department send this information to WICPA and request that they distribute this information to interested parties and to schools for distribution to students. Ms. Showers reported that this information will be posted on the Department's web-site by the time the next exam results are sent out.

NASBA manages the date base sends candidates an authorization to schedule for the examination. The Department audits the education authorization, they will send candidates authorization to schedule. NASBA has a fixed fee. Results go to AICPA passing from scores ?. NASBA sends us the results.

AICPA'S EVALUATION OF THE IQEX EXAMINATION-DARWIN TICHENOR

Darwin Tichenor reported that he was unable to get additional information from AICPA's evaluation of the IQEX examination. The Board will discuss this issue at the December Board meeting. Darwin distributed exam results of 475 candidates by schools for the Boards review.

SARBANES-OXLY ACT INQUIRY-HOW HAS WI RESPONDED? DANIEL SCHOPP, DAEMON COLLEGE

The Board reviewed an E-mail from Daniel Tschopp requesting information on the impact of the Sarbanes-Oxley Act on the state regulation of small and medium sized nonregistered public accounting firms. Mr. Tschopp is looking for any actions or proposed actions the Accounting Board may have taken in regards to regulating small and medium sized nonregistered public accounting firms.

The Board is currently studying this issue but has made no imminent action at this time. The Board requested that Mr. Lowrie respond to Mr. Tschopp and suggest that Mr. Tschopp contact NASBA as they have done some work in this area.

WISCONSIN BEING ADDED TO THE STATE LIST THAT HAVE ADOPTED SECTION 23- FRANK PROBST

MOTION: _____ moved, seconded by _____, to

Motion carried unanimously.

UNIFORM CPA HONOR ROLL-FYI

The Board reviewed information from NASBA. After each Uniform CPA Examination, NASBA announces the honor roll of states whose candidates achieved passing grades in all subjects at a rate higher than the national average. Wisconsin is one of eighteen states that has achieved this distinction for the May 2003 examination.

PRACTICE ISSUES

RESTRUCTURING PLAN OF KOLB & CO. RECOMMENDATIONS WILLIAM DUSSO

William Dusso distributed an analysis of the restructuring plan for Kolb and Co. to the Board. The Board reviewed and discussed CPA shareholders interest in the Company and the rules and regulations of the Uniform Accounting Act (UAA) involved in holding companies.

The UAA rule was originally set up to stop mass buying of CPA firms by non CPA's. Non CPA's must be active participants in the firm.

After reviewing the restructuring plan and the Uniform Accounting Act (UAA), the Board has requested additional information regarding the restructuring plan of Kolb and Co.

Mr. Dusso will write to Kolb and Co. to request answers to the following four issues:

- a) Service corporation ownership – more than 50% of the voting rights interest are held by individuals who are certified public accountants.
- b) Attest services – all attest services provided by the firm in Wisconsin are under the charge of an individual CPA.

- c) Designated Individual – non CPA's who hold an ownership interest in the CPA firm must designate an individual who is licensed to be the individual responsible for the firm's compliance with the statutes and rules of the Accounting Examining Board.
- d) Non-CPA Active Participation – each non- CPA who holds an ownership interest in the CPA firm must be an individual who actively participates in the CPA firm or an affiliated entity.

The Board will review and discuss the restructuring plan of Kolb and Co. at the December 12, 2003 Board meeting.

BOARD MEMBER ACTIVITY

None.

PUBLIC COMMENTS

None.

PRESENTATION OF PROPOSED STIPULATIONS BY PROSECUTOR OR ANY THAT MAY BE SUBMITTED AFTER PRINTING OF AGENDA

CLOSED SESSION

MOTION: Sharon Hamilton moved, seconded by Thomas Kilkenny, to convene to closed session to deliberate on cases following hearing (s. 19.85(1)(a), Stats.; to consider licensure or discipline (s. 19.85(1)(b), Stats.; to consider individual histories or disciplinary data (s. 19.85(1)(f), Stats.; and, to confer with legal counsel (s. 19.85(1)(g), Stats. Motion carried by roll call vote: Sharon Hamilton- yes, Jim Johnson - yes, Thomas Kilkenny - yes, Frank Probst - yes.

Open session recessed at 11:24 a.m.

RECONVENE TO OPEN SESSION

MOTION: Thomas Kilkenny moved, seconded by Sharon Hamilton, to reconvene into open session at 11:59 a.m. Motion carried unanimously.

VOTE ON ITEMS CONSIDERED OR DELIBERATED UPON IN CLOSED SESSION, IF VOTING IS APPROPRIATE

Accounting Examining Board
October 17, 2003

MOTION: Frank Probst moved, seconded by Sharon Hamilton, to approve the forty eight candidates that the Board approved today based on examination, transfer of credit from another state and endorsement of license from another state. Motion carried unanimously.

MOTION: Frank Probst moved, seconded by Sharon Hamilton, to issue an intent to deny licensure to Bret M.Weigel. Motion carried unanimously.

APPLICATIONS REVIEWED ON OCTOBER 17, 2003

The Board took the following action on applications. Applicants applied based on examination, transfer of credit from another state and endorsement of license from another state.

FOR REGISTRATION AS A CERTIFIED PUBLIC ACCOUNTANT

Approved – 48

BARTHELL, ANNE V
BLAWAT, RHIANNON L
BONNEMA, EDWARD J
CARR, ZACHARY T
COOMBE, KEVIN C
DEBILZEN, MARY ANN L
ERICKSON, MARGARET S
FAHEY, ROBERT P
GEIB, BRIAN J
HACKEL, DAVID D
HAMLIN, J CLAYTON
HANSON, RYAN J
HOLLE, EDWARD J
JACKSON, JULIE L
JONES, PARK J
JUBECK, ALICE M
LA PLANTE, SHEILA R
LESTER, JAMES M
MC BRIDE, KIMBERLY H
MILLER, RONALD W
MOTZ, CHRISTOPHER M
MUELLER, KRISTI S
POELLINGER, JAMES R
QUIANG, PEILING
QUADE, BETHANY A
RODIONOV, KIRILL M
SACKETT, HEIDI M
SCHENSEMA, ADAM K
SCHOMMER, JAY J
SHIRK, EDWARD J
SIEWERT, LAURA L

SMIES, CAROL A
STURM, MICHAEL A
SZEMBORSI, MATTHEW J
TAGLIAPIETRA, KIMBERLY A
TARRO, KAREN K
THELEN, EDWARD M
THORP, DOUGLAS J
TYSEN, SCOTT A
VANDERMAUSE, MARY K
VAN NULAND, RONALD J
VIGLIETTI, ANDREW J
WALSH, DEBRA K
WARD, TOSHA R
WEBER, NATHANIEL R
YE, WEIMEI
WEISBENNER, KAY S
WILSON, KATHLEEN M

Intent to Deny – 1

WEIGEL, BRET M

MONITORING REPORT

None.

CASE CLOSINGS

None.

CLASS 1 HEARING

None.

STIPULATIONS

None.

ADMINISTRATIVE WARNINGS

None.

REINSTATEMENT REQUESTS

None.

EXAMINATION ISSUES

None.

SUCH OTHER MATTERS AS DEFINED BY LAW

None.

ADJOURNMENT

MOTION: Sharon Hamilton moved, seconded by Thomas Kilkenny, to adjourn the meeting at 12:17 p.m. Motion carried unanimously.

NEXT MEETING: DECEMBER 12, 2003

Agenda Items December 12, 2003:

- Peer Review Issue Discussion
- Administration of NASBA Exam – Barbara Showers
- Restructuring Plan of Kolb & co. – William Dusso
- NASBA 10-26-29, 2003 Maui Hawaii – Report from Frederick Franklin
- 2004 meeting dates changed to Thursday's.